

May 2017

FY 2018 Public Housing and Related Programs Funding Needs

The Council of Large Public Housing Authorities (CLPHA) is a national non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis and public education. Our membership of more than seventy large public housing authorities (“PHAs”) own and manage nearly half of the nation’s public housing program, administer more than a quarter of the Housing Choice Voucher program, and operate a wide array of other housing programs. They collectively serve over one million low income households including families with children, seniors, and persons with disabilities.

A major goal of CLPHA is to ensure the preservation and improvement of federally assisted housing through adequate funding for the Public Housing and Housing Choice Voucher Programs. These investments are critical to enable PHAs to keep up with necessary improvements to their housing stock that will benefit the families and seniors that live in public housing and to improve their education, employment, and health outcomes. The availability of affordable housing positively impacts life outcomes, and as a result, significantly reduces costs within other systems. We recommend the following funding levels for these key housing programs. When our calculations are not formula driven, they are principally based upon need.

Please note that our initial FY 2018 funding recommendations are based on the best information available at the time. We may submit revised funding recommendations to Congress when more detailed and timely information, such as the President’s FY 2018 budget request and Congressional Justifications, become available.

Program	FY 2018 Funding Needs
Public Housing Operating Fund	\$5.349 billion
Public Housing Capital Fund	\$5.0 billion
Choice Neighborhoods Initiative (CNI)	\$200 million
Resident Opportunity and Supportive Services	\$35 million
Emergency Capital Needs	\$21.5 million
Jobs Plus	\$15 million
Public Housing Financial and Physical Assessment Activities	\$10 million
Rental Assistance Demonstration	\$50 million
Housing Choice Voucher (HCV) Renewal Funding	\$19.39 billion
HCV Administrative Fees	\$2.284 billion
Consolidated Family Self-Sufficiency Program (FSS)	\$95 million
HUD-VASH Vouchers	\$75 million
Tenant Protection Vouchers	\$165 million
Contract Administrators for Project-Based Section 8	Fully fund
Section 8 Project Based Rental Assistance	\$11.4 billion
Community Development Block Grants (CDBG)	\$3.3 billion
HOME Investment Partnerships Program	\$1.2 billion

Explanation of FY 2018 Funding Needs

Public Housing Operating Fund - Based on the current Operating Fund rule, and current HUD methodologies for calculating the PEL, UEL, and Rental Income. Eligible Unit Months also reflect available HUD data on occupied units and adjustments related to RAD.

Public Housing Capital Fund - The estimate addresses current accrual needs and a portion of the capital needs backlog. Annual accrual needs were estimated at more than \$3.4 billion based upon the congressionally mandated study by Abt Associates Inc. in 2010. The Capital Needs Assessment also found a capital needs backlog of \$26 billion. The amount requested would make critical repairs and pursue much-needed programs of modernization to help reduce the backlog.

Housing Choice Voucher Renewal Funding - The amount requested is expected to ensure the renewal of assistance for all voucher-assisted low-income households served in 2017. No offset is assumed in this recommendation.

Housing Choice Voucher Administrative Fees - At this time, we believe this figure would be sufficient to fund all PHAs at 100 percent of their eligibility based on the fee rates in effect immediately prior to the enactment of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). This amount also includes \$20 million in special administrative fee funding to support PHAs' administration of tenant protection vouchers and special purpose vouchers, including, but not limited to: HUD-Veterans Assisted Supportive Housing (VASH), Mainstream, and Family Unification Program Vouchers. This amount includes only administrative fees for renewal vouchers. It does not include administrative fees for any potential incremental vouchers.

Tenant Protection Vouchers - The requested amount includes a set-aside of \$15 million for public housing authorities to use TPVs in conjunction with RAD to make more conversions feasible. PHAs would continue to be eligible for additional TPVs for other eligible PHA activities as in prior years.

Rental Assistance Demonstration (RAD) - In addition to the requested amount, CLPHA supports eliminating the current unit cap on public housing conversions. Eliminating the cap will enable more properties to leverage private financing for capital improvements, enabling these properties to remain a source of critical affordable housing for low-income seniors and families.

Choice Neighborhoods Initiative (CNI) - As has been the practice in previous years, CLPHA recommends that two-thirds of the funds be reserved for applications in which a public housing authority is the lead applicant or a co-applicant. Large capital grants through programs like Choice Neighborhoods are among the most effective tools to help PHAs address the needs of severely distressed public housing developments by attracting private capital and transforming communities into thriving, mixed-income neighborhoods with reduced crime and increased opportunities for residents.

Family Self-Sufficiency Program (FSS) - Of the amount requested, \$85 million should be reserved for PHAs. This funding level is needed to maintain funding for all existing program coordinators in the consolidated Public Housing and Section 8 FSS program. The additional funding would support expansion of the program to include Section 8 PBRA properties as well as expansion of FSS in voucher and public housing programs.

Section 8 Project Based Rental Assistance - We support fully funding this account by providing for 12 months of funding for all contracts from January through December 2018. This estimate does not assume HUD's implementation of the HOTMA's medical/disability expense deduction threshold for elderly and disabled households up from 3 percent to 10 percent of their gross income before such expenses can be counted as a deduction. We support adequate funding to ensure that all assisted-households will be able to continue to be served in the upcoming year.